

Amendment to the State Plan for Michigan's FY 2005 Low Income Home Energy Assistance Program (LIHEAP)

- The Family Independence Agency officially changed its name to the Department of Human Services. All references to FIA should read DHS. All references to Family Independence Agency should read Department of Human Services.
- Under statutory references 2605(a) 2605(b)(1)(use of funds) (page 7): The dates of operation for crisis assistance should be changed from year-round to October 1, 2004 – July 30, 2005. The crisis component includes heat and electric shutoffs and restoration and energy-related home repairs (furnace repair and replacement).
- Under statutory references 2605(c)(1)(C)(use of funds) (page 7): Change the percentages to:
 - 55.6 % heating assistance
 - 0 % cooling assistance
 - 28 % crisis assistance
 - 5 % weatherization assistance
 - 1.4 % carryover to the following fiscal year
 - 10 % administrative and planning costs
 - 0 % services to reduce home energy needs including needs assessment
 - 0 % used to develop and implement leveraging activities

100 % **TOTAL**

- Statutory references 2605(c)(1)(C) (assistance funds) (page 8): Change Other to read: Michigan's crisis assistance program operates under the State Emergency Relief (SER) program. This program provides year round emergency crisis assistance as funding allows. LIHEAP funds are used to support the energy component of the SER program.
- Statutory references 2605(c)(1)(A) 2605 (b)(2)(eligibility) (page 9): The income maximum table should be replaced with the following:

<u>Exemptions:</u>	1	2	3	4	5	6
<u>Income Maximum:</u>	\$10,257	\$13,771	\$17,257	\$20,771	\$24,257	\$27,771
Add \$3,498 for each additional exemption.						

- The income maximum table for the alternate calculation should be replaced with the following:

<u>Exemptions:</u>	1	2	3 or more
<u>Income Maximum:</u>	\$11,360	\$15,287	\$16,757

- Statutory references 2605(c) 2605(c)(1)(A)(eligibility) (page 12): Under CRISIS INTERVENTION, remove reference to “other federal funds”. The last sentence “This emergency component is available year-round.” should be removed.

Under Eligible Population/Application Process, add to the first paragraph: Applications for the Home Heating Credit and crisis assistance are available on the public web-site www.michigan.gov/heatingassistance. Add to the second paragraph: On the date of application, eligibility staff will contact the energy provider to secure a hold on the shutoff. In the case of a deliverable fuel need, staff will determine eligibility and authorize a delivery, if eligible, on the date of application. If a furnace repair/replacement is needed, staff will determine if the housing is safe. If not, payment is made for emergency shelter until repairs can be completed.

Under Eligibility Criteria, second paragraph, the LIHEAP Direct program was renamed Energy Direct. Prior to the last sentence, the paragraph should be expanded to read: The participating providers guarantee no shutoff for a minimum of 30 days. After the last sentence, add: Local office staff may authorize payment from an emergency services fund (State General Fund) if available, or make a referral to a local community action agency.

Under What constitutes a crisis?: The paragraph should read: Eligibility for the SER energy services component is based on the household’s demonstration of immediate need for assistance with home heating fuel, electricity or energy-related home repairs. Immediate need may be demonstrated by:

- a declared need for a deliverable fuel such as fuel oil, LP gas, wood, and coal,
- presentation of a shut-off notice for natural gas or electricity,
- verified need for energy-related home repairs of home owned or being purchased and/or,
- notification received from a participating Energy Direct provider via an electronic file that a household’s natural gas and/or electric account is in shutoff status. A hold is put on the account to prevent shutoff the same day the provider receives notification from DHS that a payment will be made. Authorization for payment is provided within 24 hours of receiving the electronic file from the provider.

- Statutory reference 2605(b)(4)(coordination) (page 17): Remove reference to “other federal funds” and the sentence “This emergency component is available year-round.”
- Statutory references 2605 (b)(5) 2605 (c)(1)(B) (benefit levels) (page 18): Change the Home Heating Credit Maximum Credit amounts to the following:

<u>Exemptions:</u>	1	2	3	4	5	6
<u>Maximum Credit</u>	\$359	\$482	\$604	\$727	\$849	\$972
	Add \$122 for each additional exemption					

The annual heating cost maximum is changed from \$1,687 to \$1,843.

For Home Heating Credit payments, the reduction factor should be changed to 76%. Amounts arrived at by using the standard calculation or the alternate calculation will be multiplied by 76% to determine the final Home Heating Credit payment level.

- Statutory references 2605(b)(5) 2605 (c)(1)(B)(benefit determination) (page 21): Under Crisis Assistance Payment Levels: for Home Repairs, add “Unique and unusual circumstances may include; the household has no money to pay for the repair, the household may have used their money for employment-related expenses or some other crisis or the lives of household members may be in jeopardy.”
- Statutory references 2605(b)(5) 2605(c)(1)(B) and (D) (types of assistance) (page 23): For Weatherization needs assessment/audits, add energy education to “Other.”

Under LIHEAP Weatherization Policy (page 24), LIHEAP funds may be used to provide client energy education services for low-income households at or below 150% of federal poverty level.

- Statutory references 2607A (Leveraging) (page 37) –Correct the following:

Michigan Public Service Commission Funds: The Department of Human Services applied for and received \$22.45 million in Public Service Commission funds to expand eligibility for its LIHEAP funded crisis assistance program in 2005. \$2.77 million was distributed via a tape match process with the two large regulated providers, DTE Energy and Consumers Energy, to restore closed accounts. Each utility entered into contract agreements. As a provision of the contract, each utility agreed to match the payments made by DHS at 25% of the total arrearage. The balance of the funds was used for crisis payments.

LIHEAP Direct Payment Program: The name of the program was changed to Energy Direct.